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MUNICIPAL CODE

"PURCHASER OF SUPPLIES"

SECTIONS 103 to 129, INCLUSIVE

INCLUDING AMENDMENTS AND ADDITIONS

TO JULY 21, 1953

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H. H. JONES
PURCHASER OF SUPPLIES

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PURCHASER OF SUPPLIES

SEC. 103. PURCHASER, DEPARTMENTAL REQUISITIONS TO. All departments shall file estimates of materials, supplies, equipment and contractual services at such times and in such manner as shall be determined upon by the Purchaser. All purchases shall be made by the Purchaser on requisition of the department desiring the same, except that for materials, supplies, equipment and contractual services in common use by more than one department, or used in large quantities by a department, the Purchaser may purchase for stock on the basis of the total of such requisitions or estimates previously filed when approved by the Chief Administrative Officer.

Whenever, pursuant to the provisions of Section 88 of the Charter, a department head recommends and the Purchaser approves a purchase to be made directly by the department head, said purchase shall be made by said department head in the same manner and subject to the same conditions as is herein provided for purchases made by the Purchaser, and also under such regulations as may be prescribed by the Purchaser.

SEC. 104. PURCHASES OF $1,000 OR LESS. When the expenditure involved does not exceed One Thousand Dollars ($1,000), the Purchaser shall base his award of an order to a vendor on at least three (3) quotations. He shall keep a record of such quotations and a register of all awards made thereunder. In the event that it is not possible to obtain three (3) quotations, he shall base his award on the quotation or quotations received.

SEC. 105. STANDARDIZATION OF SUPPLIES. The Purchaser of Supplies, in cooperation with the officials of the several departments, shall provide for the standardization of materials, supplies and equipment in accordance with the use to which the various articles are to be put, and shall provide for adequate specifications for materials, supplies and equipment used in large quantities, or in common use by more than one department.

SEC. 106. EXPENDITURES OVER $1,000---LOWEST BID---EXCEPTIONS. When the expenditure involved shall exceed the sum of One Thousand Dollars ($1,000), the Purchaser shall award a contract to the lowest reliable and responsible bidder not less than ten (10) days after completion of advertising for bids as herein provided. Provided that if the Purchaser believes that the public interest would be best served by accepting other than the lowest gross price or unit cost bid, he shall have and he is hereby given authority to accept the bids that will best serve the public interest to make the awards and to enter into the necessary contracts. He shall forthwith make a written report to the Chief

Administrative Officer, the Mayor and the Controller, with the reasons for not accepting the lowest bid and for making such contract. Notice of all awards made pursuant to the provisions of this Section shall be published.

SEC. 107. CONTRACTS UNDER AND OVER $2,000. The Purchaser shall have the power to sign any contract when the estimated expenditure thereunder is not in excess of Two Thousand Dollars ($2,000). Any contract involving the expenditure of over Two Thousand Dollars ($2,000) shall require the joint approval of the Purchaser and the Chief Administrative Officer.

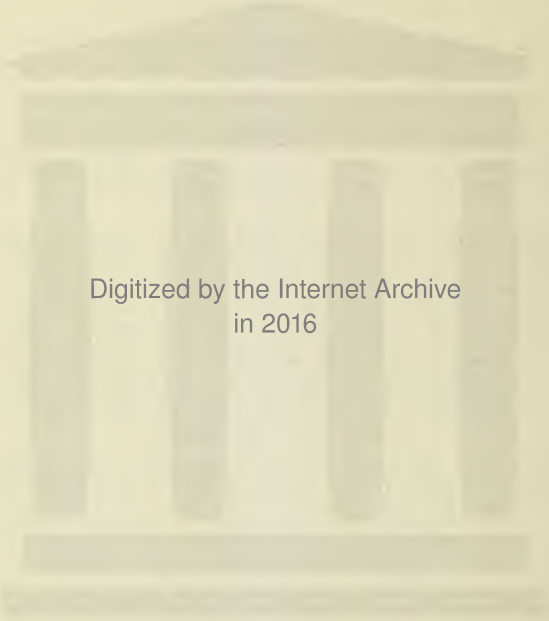
SEC. 107.1. DEFINITE QUANTITY AWARD $1,000 OR LESS. Whenever the award is for a definite quantity for a firm price, and is for an amount of One Thousand Dollars ($1000) or less, the purchase may be authorized by the issuance of a purchase order.

SEC. 107.2. TERM AWARD CONTRACTS. Whenever an award is made covering the furnishing of materials, supplies, equipment or contractual services for a determined or fixed period of time, the award shall be known as a Term Award Contract. All Term Awards shall be covered by written contract.

SEC. 107.3. OPEN MARKET PURCHASES---PATENTED OR PROPRIETARY ARTICLES. Notwithstanding any other provision of this code, purchases of (1) patented or proprietary articles, (2) fresh fruits and vegetables, or (3) other materials, supplies or equipment where the total value of the purchase does not exceed Twenty-Five Dollars ($25), may be made in the Open Market. All articles, defined by the Purchaser as "Patented" or "Proprietary" articles, shall be approved as such by the Chief Administrative Officer and listed and filed with the Controller. The Purchaser may advertise for bids on the basis of specifications for such articles or other articles made and sold for the same purpose in accordance with the provisions of Section 88 of the Charter.

SEC. 108. REJECTION OF BIDS---PROCEDURE WHERE NO BID. The Purchaser of Supplies, with the approval of the Chief Administrative Officer, may reject any and all bids and readvertise for bids. When bids are called for material, supplies, equipment and contractual services and no bid is received, or where all bids received are for the same total amount or unit price, the Purchaser of Supplies may purchase the commodities called for in the Open Market, provided, however, that the price paid in the Open Market shall not exceed any bid price received for the same commodities.

SEC. 109. BIDS IN EXCESS OF $1,000---CERTIFIED CHECK OR BOND. In any case when the expenditure for the purchase of materials, supplies, equipment or contractual services shall, as estimated by the Purchaser, exceed One Thousand Dollars ($1,000), the bids



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heretofore referred to shall be sealed and directed to the Purchaser, and shall be accompanied by a certified check on a solvent bank, payable on sight to the City and County of San Francisco, the amount of which check shall be fixed by the Purchaser and stated in the advertisement, which amount shall not exceed ten percent of the estimated cost of the materials, supplies, equipment or contractual services to be furnished and shall not be less than One Hundred Dollars ($100); provided that any regular or continual bidder may, in lieu of the certified check above mentioned, file a corporate surety bond in an amount to be fixed by the Chief Administrative Officer and the Controller to serve as surety for a period of one year that said bidder will, during said period, furnish any required performance bond for any and all contracts awarded to him on the basis of bids filed by him, with provision for forfeiture under said surety bond in any case of failure, neglect or refusal so to do.

SEC. 110. NOTICE INVITING BIDS. Notices inviting sealed bids under the conditions of the previous section must be published for two (2) consecutive days in the official newspaper and at least five (5) calendar days must intervene between the date of last publication and the time for filing such sealed bids or proposals. Such notices shall state in general terms the conditions of the proposed award, and if progressive payments are to be provided under any contract, in accordance with Section 96 of the Charter or if any contract is to be let on the basis of a gross price or cost per unit of work to be performed, or on the basis of time of completion with liquidated damages for every day during which the contract is uncompleted beyond such specified date in accordance with Section 97 of the Charter, such notice shall so state. Each advertisement for bids shall contain the reservation of the right to reject any and all bids.

SEC. 111. FORM OF BIDS---OPENING. All bids shall be filed on forms prescribed or furnished by the Purchaser, and all bids not so filed shall be VOID. All bids received as herein provided shall be opened by the Purchaser, at the time and place to be stated in the advertisement for proposals in the presence of all bidders who attend. After tabulation, bidders may inspect the bids. Bids with alterations or erasures therein shall be VOID. When the specifications do not include alternate proposals, statements or communications accompanying bids which serve to qualify, such bids shall not be considered in making awards and will VOID bids on items to which such qualifications apply. All articles supplied shall be subject to inspection or rejection by the Purchaser.

SEC. 112. BOND FOR PERFORMANCE OF CONTRACT. In case of any contract for the purchase of materials, supplies, equipment or contractual services, the Purchaser MAY require a corporate surety bond conditioned for the faithful performance of the contract.

SEC. 113. CONTROLLER TO APPROVE BOND. The Controller shall approve the sufficiency and qualifications of all sureties as required under the provisions of Sections 103 to 124, inclusive, of this Article.

SEC. 114. PROCEEDINGS FOR FAILURE TO FILE REQUIRED BOND. If any bidder to whom the contract is awarded under the provisions of Sections 109 to 111, inclusive, of this Article, shall fail to file any required performance bond within ten days after receiving notice to file such a bond, the Purchaser shall deposit the certified check required to be filed under the provisions of Section 109 of this Article in the Treasury for collection, and the amount thereof shall be retained by the City and County as liquidated damages for failure of said bidder to file such bond; neither the certified check nor the proceeds thereof shall be returned to such defaulting bidder and if the bidder's obligation to furnish any required bond is evidenced by a continuing bond, as provided for in Section 109, the Purchaser shall determine the amount of forfeiture thereunder, which shall be not less than the amount of the certified check specified in the call for bids; provided, however, that upon the recommendation of the Purchaser, together with the approval of the Chief Administrative Officer, the Board of Supervisors, by resolution, may approve the return of the amount of said certified check or excuse a forfeiture under such continuing bond. Demand upon a bidder to file a performance bond, as hereinbefore set forth, may, at the option of the Purchaser, be made by mail, by depositing such notice or demand in the United States mail, in a sealed envelope, with postage prepaid, addressed to the bidder on whom it is to be served, at his mailing address as set forth by him in his bid. The service is complete at the time of the deposit, and said ten day period shall commence on the first day following such deposit in the mail.

The Purchaser, with the approval of the Chief Administrative Officer, shall have, and he is hereby given authority to extend the period for the deposit of any required bond, whenever in the Purchaser's judgment circumstances warrant an extension.

In all cases of forfeiture hereunder, the amount of the forfeiture after collection by the City and County shall be entered as a credit to the general fund.

SEC. 115. CITY TO BE SAVED HARMLESS ON PATENTED ARTICLES. Each contractor must save, keep, bear harmless and fully indemnify the City and County and any of its officers or agents from all damages, or claims for damages, costs, or expenses in law or equity that may at any time arise or be set up for any infringement of the patent rights, copyright or trademark of any person or persons in consequence of the use by the City and County, or any of its officers or agents, of articles to be supplied under said contract and of which the contractor is not the patentee or

assignee or has not the lawful right to sell the same.

SEC. 116. PROCEDURE ON FAILURE OF DELIVERY OF ARTICLE CONTRACTED FOR. When a contractor fails to deliver an article of the quality, in the quantity, or in the manner he has contracted to furnish within the time specified in his bid, such article may be bought in the Open Market by the Purchaser of Supplies and if a greater price than that named in the contract be paid for such article, the excess price will be charged to and collected from the contractor or the sureties on his bond.

SEC. 117. SUPPLIES NOT TO BE PRISON MADE. No Article or articles furnished under any contract made under the provisions of Sections 103 to 124, inclusive, of this Article shall have been made in a prison or by convict labor.

SEC. 118. ASSIGNMENT OF CONTRACT---APPROVAL. No contract shall be assigned except upon the approval of the Purchaser of Supplies.

SEC. 119. FINANCIAL INFORMATION SERVICE. The Purchaser may contract for a financial information service; to assist him in determining the responsibility of the bidders, out of such funds as may be appropriated or set aside for the purpose, and may require information from a bidder concerning his experience and financial qualifications.

SEC. 120. CONTRACTS IN TRIPLICATE---DISPOSITION. All contracts shall be executed in triplicate; the original to be retained by the Purchaser of Supplies; one (1) copy to be filed with the Controller, and one (1) copy to be given to the contractor.

SEC. 121. DECLARATION AS IRRESPONSIBLE CONTRACTOR. Any contractor who fails to live up to the terms of his contract may, by the joint action of the Purchaser of Supplies and the Controller, be declared an irresponsible contractor, and shall not for a period of one (1) year be awarded any further contract unless on the joint action of the Purchaser of Supplies and the Controller such disqualification is removed.

SEC. 122. RULES AND REGULATIONS---EMERGENCY PURCHASES. The Purchaser shall establish rules and regulations for the purpose of Sections 103 to 124, inclusive, of this Article. Department heads may make emergency purchases of materials and supplies with the consent of and in accordance with the rules established by the Purchaser. No such purchase shall be in greater amount than Twenty-Five Dollars ($25), NOR SHALL ANY EMERGENCY PURCHASE BE MADE BY THE HEAD OF ANY DEPARTMENT UNLESS SAID DEPARTMENT HEAD ASCERTAINS THAT FUNDS ARE AVAILABLE TO PAY THE OBLIGATION BEING INCURRED.

SEC. 122.1. PROCUREMENTS IN EMERGENCIES. The Board of Supervisors hereby declares that an actual emergency shall exist when it becomes necessary to immediately procure materials, supplies, equipment or contractual services to make repairs, to safeguard the lives or property of the citizens or the property of the City and County or to maintain public health or welfare, as a result of extraordinary conditions created by war, epidemic, weather, fire, flood or other catastrophe, or the breakdown of any plant, equipment, structure, street or public work. Such procurement may be executed by the Purchaser of Supplies, with the approval of the Chief Administrative Officer, in the most expeditious manner, and shall be confirmed forthwith by issuance of a regular purchase order. The Purchaser of Supplies shall immediately notify the Controller of the estimated cost. If the estimated cost exceeds $1,000, such purchase shall be made on the basis of informal bids.

SEC. 122.2. SUBSTITUTIONS DURING WAR EMERGENCY. The Board of Supervisors hereby declares that an actual emergency shall exist during a period of material shortages created by war conditions, when goods meeting the exact specifications as ordered are not procurable. When such goods are immediately required, the Purchaser of Supplies, with the approval of the Chief Administrative Officer, shall have authority to accept satisfactory substitutes and to make proper price adjustments therefor, provided, that if such price adjustment should increase the contractual obligation by more than ten percent (10%) the Purchaser of Supplies shall first obtain approval by the Controller, who shall reserve the additional amount of money required to meet the increased obligation.

(((Note: MUNICIPAL CODE-SECTION 2. This ordinance is passed as an emergency measure, the nature of the emergency being to provide for the uninterrupted operation of the several departments and offices of the City and County and to make provision for the safeguarding of the lives and property of the citizens and the property of the City and County.)))

SEC. 123. PREFERENTIAL. Whenever any preferential in favor of local manufacturers or industry is provided by state law or ordinance or resolution of this Board of Supervisors the same shall apply to contracts under Sections 103 to 124, inclusive, of this Article.

SEC. 124. SECTION 98 OF CHARTER A PART OF CONTRACT. All the terms and provisions of Section 98 of the Charter of the City and County of San Francisco shall be applicable to and become a part of any and all contracts entered into pursuant to the terms and provisions of Sections 103 to 124, inclusive of this Article.

SEC. 125. EQUIPMENT INVENTORIES.

(a) MAINTAINED BY PURCHASER OF SUPPLIES. Equipment inventories as prescribed in Charter Section 88 shall be maintained currently by the Purchaser of Supplies on a "perpetual inventory" basis.

(b) VALUATIONS ON THE BASIS OF COST. Valuations shall be on the basis of cost, whether purchased from outside vendors, or manufactured by the City. Gifts shall be valued at fair market value at the date of acquisition as established by the Purchaser of Supplies.

SEC. 126. RECEIPT FOR ALL EQUIPMENT. Each department head shall receipt to the Purchaser of Supplies for all equipment in the custody of his department.

SEC. 127. NOTICE OF LOSS OR DAMAGE. Each department head shall give immediately written notice to the Purchaser of Supplies concerning the loss of or damage to such equipment. The Purchaser shall investigate each such written notice, and report monthly thereon to the Board of Supervisors the notices he receives from department heads and his findings with respect to each. The inventories shall not be adjusted as to damages or losses by either the Purchaser of Supplies or the Controller until they are ordered so to do by resolution of the Board of Supervisors.

SEC. 128. RULES TO BE RESCINDED AND ISSUED. The Purchaser of Supplies may prescribe and issue such rules as he may deem expedient and desirable for the carrying out of the provisions of Charter Section 88 and of Sections 125, 126, and 127 of this Article with respect to said inventories.

SEC. 129. PURCHASER'S REVOLVING FUND ESTABLISHED. There is hereby created and established in the treasury of the City and County of San Francisco a revolving fund to be known as the Purchaser's Revolving Fund. Said fund shall consist of such specific appropriations as the Board of Supervisors have heretofore made or may make or set aside from time to time for the use of said fund, and all other amounts that may be made available for such fund as provided by law.

The Purchaser of Supplies, with the approval of the Chief Administrative Officer and the Controller, may maintain such amounts in cash and in banks as may be necessary to facilitate petty purchase transactions and for the payment of small purchases and for which warrants may not be conveniently drawn on the Treasurer.

SECTIONS 130, 131, 132, 133, 134, 135, 136, 137, 138, repealed by Ordinance No. 6778 (File No. 7595) June 12, 1951.